



**THE 12TH JOINT INDUSTRY OUTREACH SEMINAR ON
STRATEGIC TRADE MANAGEMENT – SINGAPORE 2024**

Update on EU strategic trade controls

29 October 2024

Content:

1. EU Economic Security Strategy
2. EU Dual Use export controls
3. EU Sanctions

1. EU Economic Security Strategy



EU Economic Security Strategy

Objective:

- Maximise the benefits of economic openness whilst minimising the risks (i.e. de-risking)

Approach:

- Create a framework to identify and manage risks, including making better use of existing tools/policies and seeing what new tools are needed

Principles:

- proportionality
- precision
- country-agnostic
- rooted in the rules-based system

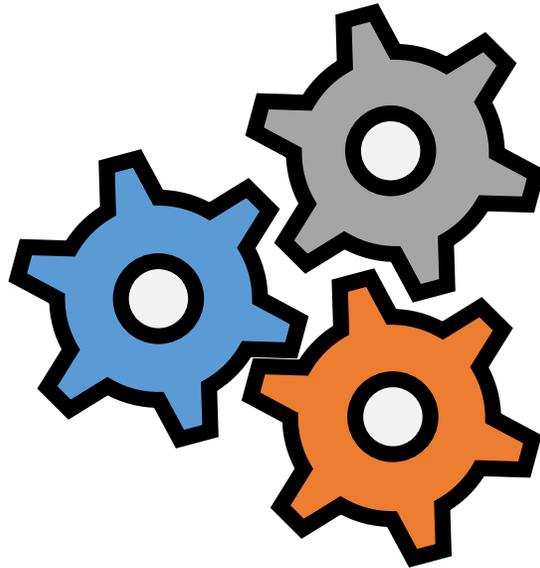




Three dimensions for mitigation measures

Protect:

Essential security interests;
Sensitive technologies;
Vulnerable supply chains;



Promote

Industrial capacity for enabling technologies;
Stronger supply chains in the EU;
Research and Innovation in future-oriented sectors;

Partnership

With the G7 and like-minded
And beyond, e.g. through Global
Gateway and FTAs





Publications and workstrands

- **Economic Security Strategy Communication of 20 June 2023:** Better coordination of export controls by fully implementing the 2021 Dual-use Regulation and taking action to improve effectiveness and efficiency of the current framework
- **Economic security package of 24 January 2024:**
 1. **White Paper on Export Controls**
 2. Proposal for a revision of the Regulation on the screening of Foreign Direct Investment
 3. White Paper on Outbound Investment
 4. White Paper on options for enhancing support for research
 5. Proposal for a Council Recommendation on enhancing Research Security

List of 10 critical technology areas released on 3 October 2023, with 4 priority technologies for immediate risk assessment:

- Advanced semiconductors
- Artificial Intelligence
- Quantum
- Biotechnologies



2. EU Dual-use export controls



White Paper on Export Controls

- The White Paper outlines how to make EU export controls more effective in the current geopolitical environment to better safeguard the EU's security
- Short / medium-term proposals for uniform & effective controls across EU
 1. Possibility **to add new items to EU dual-use list**: close gaps created by delays / blockage at multilateral level
 2. **Forum** for more political coordination of Commission and Member States
 3. **Recommendation** to increase coordination on national measures
 4. Early **evaluation** of Dual-Use Regulation to launch first quarter of 2025





Implementation of EU Dual-use Regulation



- Publication of first Compilation of national control lists
- Publication of Transparency Guidelines for Annual Reports
- Update of the EU dual-use list in line with new controls of multilateral regimes



3. EU Sanctions



Types of sanctions applied by the EU

➤ Sanctions are one of the **instruments of EU foreign and security policy and are adopted in the EU**

1. Following a **UN** Security Council decision (UN sanctions)
2. Autonomously by the **EU** (autonomous EU sanctions)
3. Combination of **both** (mixed UN-EU sanctions regimes)



➤ Legal basis:

➤ Article 215 of the Treaty on the Functioning of the European Union (TFEU)





EU sanctions regimes

EU Sanctions Map Last update 23.10.2023

- EU Sanctions Whistleblower Tool
- Competent authorities
- TARIC database
- Consolidated List of Travel Bans
- Consolidated List of Financial Sanctions

THEMATIC RESTRICTIONS ▾

48 EU sanctions regimes:

- 7 UN regimes
- 9 mixed (UN/EU) regimes
- 32 autonomous EU regimes

- **Geographic** (e.g. Syria, Iran, Russia, Belarus or North Korea)
- **Thematic** (terrorism, cyber-attacks, chemical weapons, human rights)

www.sanctionsmap.eu





EU sanctions application

- Within the territory of the EU, including its airspace
- On board of any aircraft or any vessel under the jurisdiction of a Member State
- To any natural person inside or outside the territory of the EU who is a national of a Member State
- To any legal person, entity or body, inside or outside the territory of the EU, which is incorporated or constituted under the law of a Member State
- To any legal person, entity or body in respect of any business done in whole or in part within the EU

EU sanctions are NOT extraterritorial (only those under EU jurisdiction have a legal obligation to comply with them and can incur penalties if they do not)





EU sanctions types

- **Individual sanctions:** Target designated individuals or entities
 - Asset freezes + related prohibition from making funds and economic resources directly or indirectly available
 - Travel bans (no entry into or transit through the EU territory)
- **Sectoral sanctions:** Economic, financial and other measures in specific sectors
 - Import and export restrictions
 - Services restrictions
 - Arms embargoes
 - Media bans
 - etc.





EU sanctions against Russia

- The EU has adopted unprecedented sanctions in response to **Russia's war** of aggression against Ukraine as of Feb. 2022. **In total 14 packages of sanctions to date against Russia.**
- The measures comprise of both individual listings and additional wide-ranging economic (sectoral) sanctions. So far targeted measures were adopted against more than 2,000 individuals and entities.
- Sanctions frameworks in place since 2014: **sectoral sanctions** (Regulation 833/2014), **individual sanctions** (Regulation 269/2014), trade restrictions with **Crimea** (Regulation 692/2014) and **the partly occupied oblasts of Ukraine** (Regulation 2022/263).
- In this context, the EU has also adopted sanctions against:
 - **Belarus**, in response to its involvement in the invasion of Ukraine;
 - **Iran**, in relation to the manufacture and supply of drones to Russia, which were later used in Ukraine.





Wide-range of sanctions since Feb.2022

- **Energy** – oil and LNG
- **Transport** – road, sea and air transport
- **Financial and banking**
- **Import, transit and export bans**
 - Dual-use and advanced technology items
 - Goods critical for Russia's warfare
 - Goods generating income for Russia
- **Services**
- **Software and IT**
- **Intellectual property**
- **Public procurement**
- **Broadcasting and media**
- **Asset freezes and travel bans**





Latest sanctions package (14th)

(24 June 2024)

Sectoral measures (Regulation 833/2014)

- **Energy** (incl. prohibition on transshipment of Russian LNG via EU ports)
- **Transport** (incl. maritime, aviation and road related prohibitions)
- **Finance** (incl. SPFS and crypto assets providers bans)
- **Exports** (incl. additional advanced technology items bans)
- **Imports** (incl. helium and stolen Ukrainian cultural items bans)
- **Anti-circumvention** (incl. due diligence requirements for CHP goods and adjustments to the 'no re-export to Russia clause')
- **Enforcement** (incl. best efforts obligation regarding foreign subsidiaries)
- **Other** (incl. protection against Russia's actions against EU companies)





Entity listings

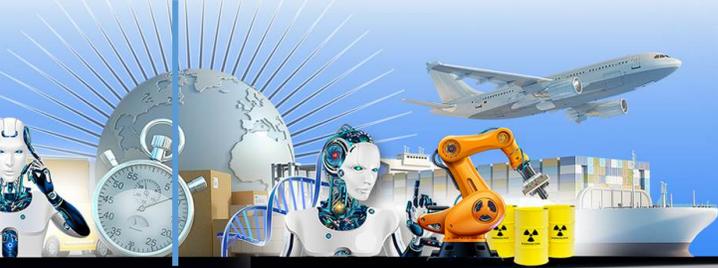
Annex IV in the EU's Russia sanctions Regulation

=> Targeted export restrictions for list of natural or legal persons, in **Russia and in third countries** linked directly or indirectly to the Russian Military-Industrial Complex

⇒ Outreach by Sanctions Envoy to third countries prior to any listings to raise concerns

⇒ As of 14th package (June 2024) total 613 Russian and 62 non-Russian entities listed in Annex IV.





Current Priorities

- Fight **circumvention and transshipment** of sanctioned goods via third countries
- Avoid that **sensitive items of EU/Western origin reach Russia**
 - => **Common High Priority Items List (CHP list)** contains:
 - Dual-use goods and advanced technology items
 - Items used in Russian military systems found on the battlefield in Ukraine or critical to their development
- CHP List **coordinated with G7** (US, UK, Japan) and made public. It is being updated regularly.





Addressing Circumvention

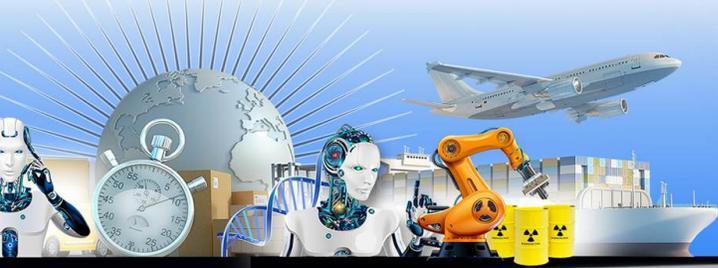
Circumvention trends

- Re-exports happening through third countries, in particular those close to Russia or in Asia.
- For subsidiaries, circumvention also happens via the use of production sites in South-East Asia
→ **Trend seen in 2024: Russia still has access to Western components**

External dimension

- Diplomatic outreach (EU Sanctions Envoy): visit to a number third countries also in South East Asia to raise awareness of the applicable rules and consequences of non-compliance.
- Seminars for public and private sector in third countries
- 14th sanctions package (June 2024): measures against financial institutions in third countries that enable circumvention





Resources

[EU Sanctions Map](#)



[Frequently Asked Questions](#)



[Consolidated List of Financial Sanctions](#)



[Other guidance](#)



[Official Journal of the EU](#)





THANK YOU!

In case of questions:

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